The MINCOME Project and Ontario’s BIG Experiment

Evelyn L Forget
University of Manitoba
Evelyn.Forget@umanitoba.ca
Mincome

• 1974 – 1979
  – Women just entering labour force in large numbers
  – Relatively simple income assistance landscape
  – Many social programs were being expanded
  – Money flowed for 3 years (1975 – 1978)

• Canadian counterpart to US *Negative Income Tax* Experiments

• Cost-shared by federal (75%) and provincial (25%) governments
MINCOME

PURPOSE: what effects will a Basic Income have on the labour market?
Design

• 3 sites in Manitoba
  – Winnipeg (population = 450,000): standard RCT
    • [families with head < 58 years old]
  – Dauphin (population = 10,000): saturation site
    • everyone > 18 was welcome to apply and received money if income was low enough
  – Dispersed rural sites: was primarily designed as control for Dauphin
Design

• Overall sample size = 1300 individuals or families

• PAYMENT DESIGN: Negative Income Tax (refundable tax credit)
  – Families received money for three years
  – Base rate slightly above “Mother’s Allowance”
  – Benefit was taxed back by 50 cents for every dollar earned in Dauphin
  – In Winnipeg, 7 different payout and tax-back rates were designed
What happened to the project?

• Families were paid and data collected

• Provincial government changed in 1976
  – Mincome lost provincial support

• Federal minority government was hanging on by a thread
  – Other economic priorities took precedence

• Experiment ended as planned but researchers demanded more funding for analysis
What happened to the project?

1800 boxes of paper files. No database had been constructed.

Library and Archives Canada
Fifteen years later:

Hum and Simpson found:

• Men worked 1% fewer hours
• Women worked 3% fewer hours
• 2 groups had larger reactions
  – Married women stayed out of workforce longer when they gave birth
  – “young unattached males” significantly reduced work effort
Almost twenty years later, I went looking for the “young, unattached males”

- I was interested in:
  - Quality of Life
  - Education
  - Health, especially mental health outcomes

- I used administrative data collected by the province
In Dauphin, high school completion increased.
Hospitalization Rates

• Fell 8.5% relative to controls during experiment

• Primary reasons
  – Fewer accident and injury hospitalizations
  – Fewer hospitalizations due to mental health issues
Physician contacts– same pattern

• Slight decline in overall physician visits among Dauphin residents during MINCOME relative to controls

• Only mental health diagnoses are significant
Basic Income In Hamilton, Lindsay, Thunder Bay, Ontario

- A 3-year experiment

- 1,000 subjects and 1,000 Controls in each of Hamilton and Thunder Bay; 2,000 subjects in Lindsay
HOW WILL THEY KNOW IF THE EXPERIMENT WORKED?

- Poverty reduction, food security
- Physical and mental health
- Career and life decisions (job training, family formation, parenting)
- Education
- Savings and investment decisions; financial insecurity
- Work decisions, unpaid work, gender, labour market impact
- Mobility and housing
- Perceptions of citizenship and inclusion
- Community impacts
- Administrative costs
- Impacts on other social programmes
Thank you.